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INFORMATION REPORT

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THIS IS UNEVALUATED INFORMATION

SOURCE

1. I visited the countries discussed below from [redacted] The following represents my personal observations and experiences in each country.

GUATEMALA

2. The Castillo Armas government is not as popular as it was on my previous visits. Business men feel that he is capable of doing more for the country. They consider his government indecisive with lack of leadership - that he is riding on his military conquest and master of the former government. [redacted] cautiously commented that another revolution could develop unless Castillo took charge with more display of positiveness. The economic and upper middle class of Guatemala were glad to see Arbenz depart but several of them were concerned about the future. They fear possible developments from stay-behind followers of Arbenz.

3. The sales market was good - money was available, the current exchange rate unusually good - based on 4 and 5 to one ratio. [redacted]

4. I was unable to get much detail but was surprised to learn that there was considerable feeling favoring Guatemalan acquisition of British Honduras.

5. Anti-Communist propaganda (put out in considerable quantity) is constantly kept before the public in the form of posters. It appears that the Castillo Armas group is behind a move to keep the situation before the public as a reminder that his forces saved the country.

HONDURAS

6. I visited both San Pedro Sula and Tegucigalpa. The governor of San Pedro Sula told me that his police had arrested a local Communist several days prior to my arrival. The very next morning (after the arrest in which the prisoner was held incommunicado) a protest was received from the Communists in Mexico. He

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was attempted since no information has been released to the press. He felt that the Communists of Honduras and Belize have a very effective and organized system of radio communications.

7. The current president (Julio Lacayo) was very unpopular among those [redacted] when I contacted. Members of the Liberal Party in San Pedro (Liberal Party strongold) feel that they get an unequal return based on the amount that San Pedro contributes to the national government. However, in meeting with [redacted] I sensed that they continue to support Julio Lacayo. Even though members of the Liberal Party acknowledge Communist support, they deny any affiliation and express distain for affinity with them.

NICARAGUA

8. Somoza, Jr. will definitely run unopposed in the next election. [redacted] implied possible trouble if Somoza tried to run his son for the office. Such trouble could stem from two sources. First, Somoza, Jr. is considered neither as capable nor as forceful as his father. Secondly, rumbling Army officers do not care for Somoza, Jr. whose rank of colonel, in their estimation, is unwarranted.

9. I invited comment relative to the status of Communism in Nicaragua. No one offered any expression regarding the strength, activity or membership in the party. What [redacted] were agreed that Somoza does a better job of controlling Communists than any of the other Latin American countries. I sensed a general feeling of national pride in Nicaragua that was missing from other neighboring countries. The country has a first class army. It has a public health system which is on a higher level of proficiency than was evident in the other countries I visited.

10. Farm crops, particularly coffee and cotton, were abundant this year. More farming machinery was evident.

COSTA RICA

11. I was in San José for several days. I gathered that business people are critical of Figueres' leadership. They feel that he is too democratic - that the country lacks direction and leadership. The middle and upper classes contain a goodly number of anti-Figueres people.

PANAMA

12. The most likely winner of the 1978 election appears to be Illa Guerila. Signs, placards, and posters of Illa Guerila are evident everywhere. Even though the opposition has to run in order to receive a fixed percentage of the congressional seats, the forthcoming election is considered a farce, that the results are already known, that ultimately the entire affair is a waste of money.

13. Arnulfo Arias is enjoying fair health. [redacted]

14. I experienced general dissatisfaction with US attitudes towards Panama. They feel that the US is not doing enough for them. Several [redacted] insisted that the US should pay a larger amount for Panama Canal leases.

15. The Rondón assassination is considered a miserable affair. [redacted] seriously inferred me that an apparent effort is being made to solve the case because too many government officials would be implicated. I was told that nothing would be done before the next elections. Several Panamanians explained the assassination resulted because Rondón tried to crack down on dope traffic between Panama and the US.

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16. Business conditions in Colón were poor - Colón is depressed commercially particularly since the US has cut down on military personnel in the Canal Zone - very few ships mean less business activity and less income - such is Colón's current state. Unemployment is getting worse. Small business, [redacted] They are holding their stocks down until US elections have been held.

17. I heard nothing complimentary relative to "Tato" Ramón. Several feel that he was very active in the assassination of José Antonio Ramón. As a reward, he has been retained in the government even though he has the reputation for incompetency.

- end -

[redacted]